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Annual Report

1959

CANADIAN BRONZE COMPANY
L I M I T E D



CANADIAN BRONZE COMPANY

L I M I T E D

DIVISIONS

MONTREAL BRONZE, LIMITED

NORTHWESTERN BRASS, LIMITED

ST. THOMAS BRONZE COMPANY, LIMITED

DIAMOND BRONZE COMPANY INC.

WINNIPEG BRASS LIMITED

NATIONAL BRONZE COMPANY, LIMITED



CANADIAN BRONZE COMPANY L I M I T E D

EXECUTIVE OFFICES • 999 DELORIMIER AVE., MONTREAL

DIRECTORS

STEWART G. BENNETT, M.C.

H. CARSON FLOOD

C. HOWARD GORDON

LT. COL. S. C. HOLLAND, C.D.

RICHARD O. JOHNSON

DONALD M. LOUCKS

HON. D. LAURENCE MACLAREN, P.C.

A. JACK MOORE

R. JAMES PINCHIN

A. LUDGER SIMARD, O.B.E., D.SC.

EXECUTIVE OFFICERS

D. M. LOUCKS, *President and Managing Director*

A. J. MOORE, *Executive Vice-President*

R. B. SIMPSON, C.A., *Treasurer*

W. C. PAQUETTE, *Secretary*

R. W. GILLAN, *Asst. Secretary*

SOLICITORS

BOURGEOIS, DOHENY, DAY & MACKENZIE

TRANSFER AGENTS

THE ROYAL TRUST COMPANY

Montreal and Toronto

REGISTRARS

THE TORONTO GENERAL TRUSTS CORPORATION

Montreal and Toronto



CANADIAN BRONZE COMPANY

L I M I T E D

REPORT TO THE SHAREHOLDERS

The Board of Directors presents herewith the Annual Report of your Company and its wholly owned subsidiaries together with the Consolidated Balance Sheet and Financial Statements for the year ended December thirty-first, nineteen hundred and fifty-nine.

Consolidated net earnings for the year amounted to \$401,646, an increase of 44.6% over the amount of \$277,778 earned in 1958. Earnings per share on the common stock were \$2.27 compared with \$1.50 last year. Factors which contributed to this improvement included a gratifying increase of 18.4% in sales volume, operating economies and the cumulative impact on the year's operations of benefits from manufacturing facilities recently added.

Industrial business showed a marked improvement, both in volume and earnings. Returns from the electrolytic plating installation in Calgary and the expanded facilities in Winnipeg are gratifying.

The manufacture of diesel locomotive parts progressed well during the year and this operation is proving to be profitable.

As the railways discontinued operations in certain repair shops during the year, it was decided to consolidate in Montreal all manufacturing for Eastern Canada. Operations were, therefore, suspended in the St. Thomas plant and its activities were transferred to Montreal. If it is decided that the St. Thomas property is no longer required, plans will be made for its disposal.

During the year your Company offered to purchase all the Class "B" shares of The Robert Mitchell Co., Limited resulting in the acquisition of 93.4% of these shares at December 31, 1959.

Working Capital at December 31, 1959 amounted to \$1,641,238; a reduction of \$1,052,942 in the year reflecting the investment in The Robert Mitchell Co., Limited. The current ratio continues to be satisfactory at 3.1 to 1.

You will observe that the Reserves for Contingencies and Inventories are now consolidated in Retained Earnings in accordance with currently accepted accounting practice. The Reserve for Doubtful Accounts Receivable was considered to be in excess of present requirements and was reduced by \$60,000.

After careful review the employees' pension plan, which was commenced in 1936, has been changed from an insured plan to a trustee plan under the administration of The Royal Trust Company as trustee.

It is with satisfaction your Directors record on your behalf the manner in which all of the Company's personnel have contributed to the results now presented.

On behalf of the Board,

MONTREAL, QUEBEC,
MARCH 16TH, 1960.



(with comparative figure)

Current Assets	1959	1958
Cash.....	\$ 103,214	\$ 162,656
Marketable investments—at cost, less reserve (quoted market value 1959 \$ 889,300 1958 \$1,895,000).....	886,286	1,870,699
Accounts receivable, less provision for doubtful accounts.....	383,213	256,818
Inventories—at the lower of cost or approximate market.....	1,022,798	911,094
Prepaid expenses.....	12,240	20,367
	<u>2,407,751</u>	<u>3,221,634</u>
Investment in Shares of a Subsidiary Company (Partly Owned)		
—at cost.....	<u>1,298,926</u>	<u>—</u>
Fixed Assets		
Land—at cost.....	388,367	389,368
Buildings and equipment—at cost.....	2,489,723	2,475,098
	<u>2,878,090</u>	<u>2,864,466</u>
Accumulated depreciation.....	1,907,504	1,832,041
	<u>970,586</u>	<u>1,032,425</u>
Contracts, Rights, Patents and Goodwill.....	<u>1</u>	<u>1</u>
	<u>\$4,677,264</u>	<u>\$4,254,060</u>

D. M. LOUCKS } *Directors.*
C. H. GORDON }

COMPANY, LIMITED

SUBSIDIARY COMPANIES

STATEMENTS OF FINANCIAL POSITION AS AT 31st DECEMBER 1959

(in comparison with the corresponding figures for the previous year)

LIABILITIES

Current Liabilities	1959	1958
Accounts payable and accrued liabilities.....	\$ 385,816	\$ 307,712
Dividends payable—		
Preference shares.....	9,375	9,375
Common shares.....	60,000	80,000
Income and other taxes.....	311,321	130,367
	<u>766,512</u>	<u>527,454</u>
Shareholders' Equity		
5% cumulative redeemable preference stock: (redeemable only as a whole at \$105 per share on 30 days' notice)		
Authorized—		
15,000 shares of \$100 par value.....	<u>\$1,500,000</u>	
Issued and fully paid—		
7,500 shares.....	750,000	750,000
Common stock—		
Authorized—		
200,000 shares without nominal or par value		
Issued and fully paid—		
160,000 shares.....	197,395	197,395
Retained earnings.....	2,963,357	2,304,211
Reserves—		
Inventories.....	—	350,000
Contingencies.....	—	125,000
	<u>3,910,752</u>	<u>3,726,606</u>
	<u>\$4,677,264</u>	<u>\$4,254,060</u>

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the consolidated balance sheet of Canadian Bronze Company, Limited and its wholly owned subsidiary companies as at 31st December 1959 and the consolidated statements of earnings and retained earnings for the year ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In accordance with the provisions of section 118 of the Companies Act, we report that the profits for the year of the partly owned subsidiary company have not been included in the accompanying accounts.

In our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the companies, the accompanying consolidated balance sheet and consolidated statements of earnings and retained earnings are properly drawn up so as to exhibit a true and correct view of the consolidated state of the affairs of the companies as at 31st December 1959 and the consolidated results of their operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

26th February 1960.

MCDONALD, CURRIE & CO.
Chartered Accountants.



CANADIAN BRONZE

CONSOLIDATED STATEMENT OF EARNINGS

FOR THE YEAR ENDED 31st DECEMBER 1959

(with comparative figures for the previous year)

	1959	1958
Earnings from Operations , before the following.....	\$ 923,019	\$ 632,618
Remuneration of executive officers and legal fees.....	94,867	88,998
Fees of other directors.....	16,090	18,202
Provision for depreciation of fixed assets.....	84,461	91,377
	195,418	198,577
	727,601	434,041
Revenue from Investments and Rentals	59,045	67,737
	786,646	501,778
Provision for Income Taxes	385,000	224,000
Net Earnings for the year	\$ 401,646	\$ 277,778

C O M P A N Y , L I M I T E D

AND WHOLLY OWNED SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENT OF RETAINED EARNINGS

FOR THE YEAR ENDED 31st DECEMBER 1959

(with comparative figures for the previous year)

	1959	1958
Balance—Beginning of Year	\$2,304,211	\$2,383,933
Net earnings for the year	401,646	277,778
Transfer of reserves no longer required—		
Inventories	350,000	—
Contingencies	125,000	—
Doubtful accounts receivable	60,000	—
	<hr/> 3,240,857	<hr/> 2,661,711
Dividends paid and payable—		
Preference	37,500	37,500
Common	240,000	320,000
	<hr/> 277,500	<hr/> 357,500
Balance—End of Year	<hr/> \$2,963,357	<hr/> \$2,304,211

DIVISIONS OF

CANADIAN BRONZE COMPANY, LIMITED

AND THEIR PRODUCTS

SERVING INDUSTRY FROM COAST TO COAST

Montreal Bronze, Limited 999 Delorimier Avenue, Montreal, Quebec

Serving Ontario, Quebec and the Maritimes

Railway Products • Bronze and Aluminum Castings for Pulp and Paper Mills, for Aircraft and Steel Mills, Marine work and General Industry • Ampco Metal Castings and Mill Products.

Northwestern Brass, Limited 13 Bury Street, Winnipeg, Manitoba

Serving Manitoba and Saskatchewan

*Railway Products • Journal Bearings, Lubricators, Dust Guards, Journal Stops.

Winnipeg Brass Limited 600 Clifton Street, Winnipeg, Manitoba

Serving All Provinces

Industrial, Automotive and Hard Chrome Plating • Aircraft Parts • Memorial and Commercial Plaques • Cadmium Plating • Non-ferrous Mill Products • Complete Machine Shop facilities • Ampco Mill Products • Railway Diesel Bearings.

Northwestern Brass, Limited 1609-24th Avenue East, Calgary, Alberta

Serving Alberta and British Columbia

Railway Products • Automotive and Industrial Chrome Plating • Industrial Bronze and Aluminum Castings.

*Also available through **Montreal Bronze, Limited** and **Northwestern Brass Limited, Calgary, Alberta.**



